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..and much more...

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Governor Togiola Pleased with the Conference in Guam

(UTULEI) Governor Togiola issued the following statement regarding the success of the Department of Interior's 4th Conference on Business Opportunities in Guam.

The conference, which included a special session on economic development associated with the planned military construction in Guam, aimed to showcase business opportunities in the U.S. affiliated islands for U.S. mainland and Asia-Pacific business and investment communities.

"The conference in Guam by far has been the most productive and successful business development conference. I am very proud of the preparation and work by our team. Directors Magalei and Faleseu attended all the one-on-one meetings with me, and Rep. Taotasi Archie Soliai and Rep. Alex Jennings were very active in the meetings as well. The participation of Chairman Tauiliili, Sapini Siatuu and Phil Ma'o from the American Samoa

Community College was well received, and beneficial. I truly believe they have come away with good connections that will benefit ASCC in the future. We have also established some contacts and connections that will most certainly bring development to the territory. Mr. Paul Ratterman's participation was greatly recognized and we appreciate his input. I want to congratulate Faleseu and the Department of Commerce for their preparation for the conference."

"The conference in Guam by far has been the most productive and successful business development conference. I am very proud of the preparation and work by our team."

Governor Togiola Tulafono

Togiola appoints Navy retiree and church minister to the ASPA board

Governor Togiola Tulafono has appointed Navy retiree and former ASPA employee Va'a Sokelati Fala, and local attorney Rev. Asua Fuimaono to the board of the semi-autonomous agency.

Fala will replace former board member Joseph Yandall who recently resigned, while Fuimaono will replace current ASPA board chairman, Attorney General Fepulea'i Arthur Ripley Jr.

In a letter to the Fono leadership, Togiola said that the appointments are for the statutory term of four years. Under local laws, the ASPA board is to be composed of five board members appointed by the Governor and confirmed by the Legislature.

The names of the two appointees have been submitted to the Fono for confirmation but since the Fono is in recess, and unless the Governor calls a Special Session, confirmation of the pair may not occur until the Fono reconvenes in January 2008 for the third regular session.

If confirmed, Fuimaono and Fala will join current board members Morris Scanlan, Norman H. Okamura, and Steve Felte.

In his letter, Togiola pointed out that Fala served twenty years in the US Navy in the area of personnel management, and he holds a Bachelor of Arts degree in human resources management from Pepperdine University in Malibu, CA. *(Continued on page 2)*

Dengue fever numbers at a standstill while flu epidemic takes off

No new cases of dengue fever have been confirmed in the territory over the past two weeks, leading Department of Health officials to be optimistic that the communicable disease, which had reached epidemic levels, is on a downfall.

The total number of locals confirmed to have been infected this year with dengue fever had reached 107 two weeks ago but since then, not a single case has been reported.

However, as dengue fever slowly exits, a flu bug has taken over and in the past month, has spread like wildfire across the territory, affecting hundreds of locals including children and the elderly who have been crowding the Emergency Room at the LBJ Medical Center over the past few weeks.

DOH medical director Dr. Ivan Tuliau said yesterday that the flu mimics dengue - “but it’s not as bad.”

He explained, “As far as dengue fever goes, the numbers are looking pretty good, and we are hopeful that this means the disease is on a downslide. However, this flu bug is pretty bad and one of the best ways to stop it from spreading is by taking a few extra seconds to wash your hands and cover your mouth when you cough or sneeze. Plenty of rest is also recommended for those who have caught the bug.”

The first local confirmed to have died this year from dengue fever was a ten-year-old boy from Fagaalu.

Tuliau credits the members of the general public, whom he says have played a role in stopping the spread of dengue fever through practicing preventive measures.

As the number of dengue fever cases have yet to increase, Tuliau continues to encourage everyone to practice the 3D’s of prevention:

- * Dress yourself in clothing that covers the majority of your body,
- * Drain standing water, and
- * DEET – use mosquito repellants that contain DEET.

Togiola appoints ASPA Board members *(from page 1)*

As for Fuimaono, Togiola said that the attorney “comes as a very qualified and educated individual fit for this appointment.”

Fuimaono was educated in Samoa and at universities in New Zealand. He has operated his own private law office for 20 years and worked as assistant attorney general at one time, prior to serving as counsel for U’una’i Legal Services.

Fuimaono is an active member of the American Samoa Assemblies of God Church where he serves as assistant superintendent.

“I believe you can see why these individuals are qualified for these appointments,” Togiola said. “I truly hope that you will give them your favorable consideration and confirm them as new directors for the ASPA board,” the Governor concluded.

SHARE IMPORTANT INFORMATION & ACTIVITIES

with your ASG workforce as well as the citizens of American Samoa. Email your articles, announcements, pictures or other information to:
Harry Stevens (harry.stevens@americansamoa.gov) or Vince Iuli (vince.iuli@americansamoa.gov)

ASG financial overview for September details over \$1 million in savings

The Treasury Department's Financial Overview for September 2007 shows that the American Samoa Government collected more and spent less in local funds last month.

According to the report, which was submitted from ASG Treasurer Velega Savali to Governor Togiola Tulafono, for every \$1 received, approximately 79-cents was spent.

The actual budgeted revenue was listed at \$6,096,541 however, actual revenues of \$7,575,802 far exceeded that amount.

Expenditures, or lack thereof, played a big role in savings for the government, as actual expenditures of \$5,963,078 was less than the budgeted spending of \$6,096,541

Collections soared in different divisions of ASG like the Tax Office whose collections skyrocketed to nearly \$4 million last month, more than double the \$2.3 million it collected the same time last year.

Other departments and funding sources that upped their collections last month compared to the same time last year include:

| Source | 2007 | 2006 |
|------------------------|-----------|-----------|
| Procurement | \$27,425 | \$10,370 |
| Agriculture | \$6,070 | \$5,937 |
| Dept. of Public Safety | \$603 | \$359 |
| Parks and Recreation | \$3,700 | \$1,375 |
| Attorney General | \$27,095 | \$11,010 |
| Judicial | \$35,743 | \$32,888 |
| Tax Reserve | \$361,918 | \$354,656 |
| Sports Complex | \$28,194 | \$18,826 |
| Workmen's Compensation | \$88,824 | \$75,424 |
| Traffic Violation | \$7,330 | \$0 |
| Port | \$274,619 | \$215,374 |
| Port Admin | \$133,817 | \$91,279 |
| Airport | \$80,727 | \$70,006 |

Last month's collections were not only higher than September 2006 but also the year before that in September 2005 when the ASG received \$7,171,701.

ASG RADIO PROGRAM

With: Governor Togiola Tulafono
Saturdays @ 7a.m.

On: Showers of Blessings - FM 104.7
Call 699-8123

or
699-8124

HISTORICAL NOTES

By: Stan Sorensen, Historian, Office of the Governor

On October 17, 1832, Reverend John Williams and his London Missionary Society colleagues, returning to Samoa from the Cook Islands, sighted Ta'u at daylight.

On October 17, 1839, Lieutenant Charles Wilkes of the U.S. Exploring Expedition and members of the USS *Vincennes*' crew visited "Chief Toa" in the village of "Fungasar" [Fagasa, Tutuila]. Wilkes reported that "I was much struck here with the manliness of the natives, and with their frank, open expression of countenance."

On October 17, 1954, the honorary title "*Tautai 'o le Vasa Laolao*" ("Captain of the High Seas") was bestowed upon William Willis in American Samoa. He donated his raft *The Seven Little Sisters* to the Museum of American Samoa, which did not yet exist. The logs, neglected, subsequently deteriorated on the beach at Fagatogo.

On October 17, 1960, American Samoa's newly approved constitution became effective.

On October 18, 1832, English missionary John Williams sighted "Tutuila, a fine large island about 40 or 50 Miles West of Orosegna [Olosega].....We again ran gently down the coast until we came to a Bay called Leone which was the residence of the young man we brought from Manua."

On October 18, 1932, Western Samoa's Administrator, Brigadier General Herbert Ernest Hart, wrote to Prime Minister George Forbes of New Zealand, saying that there would never be peace in Samoa as long as Olaf Frederick Nelson was there. He began plotting to get Nelson convicted of sedition, and deported again.

On October 18, 1943, "the last Samoan Marine was enlisted in the First Samoan Battalion [U.S. Marine Corps Reserve]. He was private Fa'afua NAPOLEON, age 17."

On October 18, 1966, President Lyndon Baines Johnson and First Lady Claudia Alta Taylor ("Lady Bird") Johnson visited American Samoa. Mrs. Johnson dedicated the "*Manulele Tausala*" ("Lady Bird") Elementary School in Nu'uuli, which was named after her. (Lyndon Johnson was the only U.S. President to visit American Samoa. Mrs. Johnson was the second First Lady to visit the Territory. The first was (Anna) Eleanor Roosevelt, on August 23, 1943). President Johnson made the following speech to the people of American Samoa:

Governor and Mrs. Lee, Chief Sotoa, Chief Ma'o, Chief Le'iato, distinguished guests, ladies and gentlemen: I am very proud that I could be here with you today. I can assure you that the people of the United States share my pride in what American Samoa has done to prove that destiny is really what we make it. This island--with a population of only 22,000--has become the symbol of what many large nations may achieve for their people. It has become a showplace for progress, and a proving ground of methods to improve the lives of our fellow human beings. And, along the way, American Samoa has taken the term "self-help" out of the bureaucrats' dictionary and made it a living language for their people. You have doubled the per-acre yield of your crops. You have sharply reduced the diseases that once plagued your island. And this month you will begin construction of the American Samoan Tropical Medical Center which will provide the finest hospital care in this part of the world.

(Continued on page 8)

A word of encouragement during a failure is worth more than a whole book of praise after a success.

ASPA Requests Information from Senate Regarding Senate Staff Involvement in Bid Preparation for Scrap Metal Removal

(ASPA PRESS RELEASE) The American Samoa Power Authority received subpoenas from the Senate Select Investigative Committee last Friday (Oct. 12), regarding the RFP issued for the removal of scrap metal and other materials at the Tafuna Scrap Metal Yard.

Andra Samoa, the Planning and Special Projects Officer and CEO at the time, said that “ASPA is very pleased with the Tafuna Scrap Metal Yard bid process. As stated in the RFP, there were many companies that were trying to have ASPA enter into a ‘partnership’ with the company. To deal fairly with all interests, a Request for Proposals (RFP) to obtain the best proposal was prepared.” ASPA received fifteen unsolicited proposals from companies to remove and sell the scrap metal and other materials from ASPA’s Tafuna Scrap Metal Yard (“TSMY”). Several of the unsolicited proposals were submitted by companies seeking to bale, transport, and sell the scrap metal and other materials to metal recycling companies in locations as far away as the People’s Republic of China.

In order to ensure an open and competitive process to clear the TSMY in two years and to seek a proposal that provides the greatest return to ASPA and American Samoa, ASPA invited sealed proposals from qualified offerors to remove all scrap metal, tires, and all other materials from the TSMY. Michael Keyser, Acting CEO and General Counsel said, “the RFP was structured to invite proposals which would not only guarantee revenue but also ensure the work would be completed within the given time frame so the Governor’s plans for airport expansion are not jeopardized. All of these factors were considered, and the best approach included the protections offered by a performance bond.”

Nicole R. Castro, Associate General Counsel, sent a letter to Senate President Lolo M. Moliga and Senator Alo Paul Stevenson, Chairman of the Senate Select Investigative Committee (“SSIC”).

According to Ms. Castro, “The purposes of the letter are to: (a) determine whether the SSIC has any legal standing now that the 30th Session of the American Samoa Legislature has ended; (b) request copies of the SSIC minutes and meeting times that led to a vote on the issuance of subpoenas as required in the SSIC rules; (c) to request copies of any ethics policy or rules of the Senate related to conflicts of interest by Senators and/or Senate staff; and (d) to determine whether one or more Senate staff participated in providing consulting or other assistance to bidders on the RFP that the SSIC is now reviewing.”

“ASPA intends to respond to the SSIC and to participate in the hearing” said Fepulea’i Afa Ripley, Jr., ASPA Chairman. “However, it is important to obtain clarifications regarding the Senate and SSIC authority and to ensure that there are no conflicts of interest. We are requesting full disclosure in the interests of transparency. In addition, ASPA has been told that a Senate staffer was paid to help one of the companies prepare their bid and we are seeking clarification. If that is true, then, such disclosure should be made.”

Apply for the Gates Millennium Scholars Program and get a free ride to college

At a time when scholarships are hard to come by and the only sure way to move off island is to join the military, the Gates Millennium Scholars Program is offering aspiring high school seniors the chance to go to college for free.

The Asian and Pacific Islander American Scholarship Fund (APIASF) is currently accepting applications, specifically from Asians and Pacific Islanders, for the Gates Millennium Scholars Program for 2008-2009.

The Gates Millennium Scholars Program, which was created in 1999 and funded by the Bill and Melinda Gates Foundation, encourages low income minorities to attend college and allows them to do just that. Since its establishment in 1999, more than 11,000 scholarships have been awarded to qualified individuals.

Local boy Nestor Enguerra of Happy Valley, who was in the territory during the summer months, is a Gates Millennium Scholarship recipient whose undergraduate education at the University of Washington is being funded wholly under the program. “I encourage all qualified high school seniors to take advantage of this grand opportunity to apply for a scholarship,” Congressman Faleomavaega Eni said in a statement.

Interested students can apply online at www.gmsp.org or pick up an application from Faleomavaega’s district office in Utulei. Interested applicants are highly urged to apply online. The deadline to submit an **online application** is January 11, 2008, at 11:59 pm EST, while hardcopy or paper submissions must be postmarked by December 31, 2007. Applicants must have a cumulative GPA of 3.3 on a 4.0 scale, be eligible for a Pell grant, demonstrate leadership ability, and plan to enroll in a college or university as a full-time student in the fall of 2008. In addition, they must be nominated by a principal, teacher, counselor, higher education representative, or other professional educator.

“Students are allowed to choose an area of discipline in their undergraduate program,” Faleomavaega said. “The scholarship is renewable based on the student’s academic progress and timely application.” He concluded, “Again, I encourage all eligible high school seniors to apply for a Gates Millennium scholarship. Also, I want to encourage our sophomores and juniors in high school to prepare early for scholarship opportunities such as the Gates Millennium and many other scholarships available for qualified students. Those who seek assistance regarding the Gates Millennium Scholarship and other financial assistance for education are welcome to contact my district office in Utulei by calling 633-1372.”

ASPA Request for Disclosure of Senate Interest is Coupled with Concerns that Senate is Helping Pre-Selected Private Companies Interested in Renewable Energy

(ASPA PRESS RELEASE) Nicole R. Castro, Associate General Counsel of the American Samoa Power Authority (“ASPA”), said today that “while we recognize the need and the right for legislative bodies to meet, greet, and discuss issues of importance to American Samoa with private companies, ASPA is concerned the Senate leadership may not be working on policy matters in an open and transparent manner regarding ASPA, but may be urging, endorsing, and facilitating pre-selected private companies and interests.”

ASPA released a letter that was given to Andra Samoa, the former ASPA CEO, by a Senate representative. The letter references a meeting between David Ushio and unspecified Senate leadership (*See copy of Attachment 1 on page 6*), and was given to Ms. Samoa by Gus Hanneman.

Ms. Castro said that “the letter is very interesting in its reference to ‘discussions with the leaders of the Senate and his advisors.’ The letter states that solar renewable energy provides a ‘lucrative’ opportunity and requests that an ‘exclusive license’ be given to Ushio and his investors. We believe that the people of American Samoa should be aware of these types of discussions. Obviously, we wonder whether this is connected to the Senate’s interest in promoting renewable energy with Congressman Faleomavaega.”

Andra Samoa, Manager of Planning and Special Projects, said that, “ASPA has been researching the best way to approach renewable energy in the past two years. ASPA is 100% reliant on diesel fuel and does not have any renewable energy project on the books today. We are obviously concerned with renewable energy because of the continued spiraling costs of diesel fuel.”

Ms. Samoa added, “however, we do agree with the statement in Mr. Ushio’s letter that solar and other renewable energy systems may provide a ‘cap’ with the ‘wild price increases due to the unrest in the Middle East and the price gouging by the oil companies and cartels.’ We are currently studying which approaches will be viable for, and benefit, all of American Samoa.”

Fepulea’i Afa Ripley, Chairman of the Board of Directors, said “the Governor, Board of Directors, and ASPA Management have had several meetings that discussed the issue and importance of renewable energy. The Board of Directors and Congressman Eni Faleomavaega also met twice; and, on both occasions, requested financial assistance for renewable energy projects. We are hopeful and working with the Governor and Congressman to seek special funding from the federal government for renewable energy projects.”

Andra Samoa also said that “In addition to these meetings with the Governor and Congressman Faleomavaega, ASPA, as part of its rate adjustment, just created a small fund to be used solely for renewable energy project and activities. This fund is small and will generate only about \$240,000 a year. However, it is important to build the small capital fund since federal grants often require matching amounts and do not cover certain expenses needed to kick off a renewable energy project.”

Ms. Samoa also said that “ASPA also submitted a Clean Renewable Energy Bond (CREB) loan application for wind power; but, pulled it back because the site did not have a complete wind study. We are currently developing plans and seeking funding for a wind atlas and will be visiting other utilities that have renewable energy projects.” Ms. Samoa also noted that “Steve Felte, a Board Member who is the Chief Executive Officer for Tri-Dam, will be taking the lead in working with ASPA Management. Mr. Felte has significant expertise in this area as Tri-Dam generates hydro-power and provides water to locations in northern California.”

Mr. Keyser, Acting CEO and General Counsel of ASPA, said that “ASPA requested that the Senate provide a disclosure of whether Senate staff prepared any proposals for vendors. We are hoping that the Senate has ethics policies or rules in place and that there is a means for disclosing these types of confidential meetings and arrangements with private companies.” Mr. Keyser added that “We don’t know how many other hearings or other information requests will be made at the behest of private interests; but, it is both important for ASPA and the people of American Samoa to understand and be aware that these interests are at work.”

Get your share of the \$200K available from DBAS for home renovation loans

The Development Bank of American Samoa has announced the availability of \$200,000 in direct financing for home renovation loans. The announcement comes just in time for many locals who long to spruce up their homes for the upcoming holiday season.

The application package is available at the DBAS office in Pago Pago and applications will be accepted between October 22-26, 2007 on a first come, first-served basis.

The maximum loan amount is \$10,000 with a maximum term of 84 months (7 years).

The best thing is - the fixed interest rate is an affordably low 9.50%.

There is a \$75 non-refundable application fee and more information can be obtained by visiting the DBAS office or calling 633-4031.

Copies of Attachments for ASPA Press Release on page 5

MEMORANDUM



CONFIDENTIAL

June 7, 2007

To: Gus Hannemann
From: David Ushio
Subject: Solar Power Project in American Samoa

I am making excellent progress on the development of a solar electric power project for American Samoa. This is one of the highest priorities established in our discussions with the leaders of the Senate and his advisors.

To date we have agreement with a third party financing group which specializes in funding "turnkey solar electric projects". This group has a pool of private equity and hedge fund investors who provide them with the necessary capital to build solar and other alternative "green" projects throughout the world. I also have an engineering, solar integration, and construction management team which specializes in solar projects. The turnkey solar team is ready to evaluate the feasibility of a solar program for American Samoa. It is my intent to augment this team with local American Samoa based construction and support services firms which will create much needed quality and higher paying jobs for American Samoa.

The high cost of fossil fuel in American Samoa and climate are factors which make American Samoa a very interesting investment target for these investors. The beauty of the program we are proposing is that these third party financing organizations will provide 100% financing to build, operate, maintain, and train the staff for these solar projects. All they require in return is a 15 year contract for the end user (government, utility, or private commercial organization) to utilize the total output of the solar project at a price at or slightly below the current cost of a kilowatt hour for electric power. In other words, by utilizing the solar power, the end user can cap the cost of the electric power instead of be held hostage by the wild price increases due to the unrest in the Middle East and the price gouging by the oil companies and cartels.

We need your direct involvement to move this project forward.

1. You need to obtain the approval from the American Samoa government (utility, legislature, etc.) to go forward on a solar project. This should be in the form of an exclusive license for solar projects in American Samoa for our group; or as the sole representative/developer of solar energy in American Samoa. This is critical for our group to control the development and to obtain the very best rates from the third party financing groups. Lacking this exclusive solar license and/or solar development agreement from the government, we could easily be placed in the role of opening up a

very lucrative opportunity and solar project which will benefit the citizens of American Samoa...only to have some other group steal the project away from our group. This is very important; and I have our corporate attorney, Jonathan Durrett working on the possible license and/or agreement language for the operating document. We should meet to discuss this prior to your trip to American Samoa later this month.

2. We also need some baseline information to begin the analytical work on the feasibility of a solar project in American Samoa. The following are some basic questions and data which we need you to obtain from the government and/or the current electric utility in American Samoa:

- a. Who will be the host for the proposed solar project (Who will sign the contract on behalf of American Samoa? American Samoa Government? Electric Utility? Private Commercial Company such as the Tuna Canneries?)
- b. How many different solar sites should we plan on developing? For example, one on each of the outer islands...and multiple sites on the main island?
- c. Will the solar power systems be connected to the existing utility grid or will the power generated by the solar unit be used directly by existing facilities?
- d. What is the current average Kilowatt per hour usage cost for customers (We have been told it averages approximately \$.33 cents per hour in American Samoa)
- e. Does this rate vary for large commercial and/or government users?
- f. Two to five years of historical data on Kilowatt per Hour usage to determine the current inflation/price gouging by the oil companies over time.
- g. A ten year summary overview in the price per Kilowatt hour of electric power and a corresponding overview of the price of oil over the same period of time.
- h. What is the current average "general labor wage per hour" in American Samoa? This will determine the cost of construction.
- i. Availability of licensed construction general contractors in American Samoa which can be recruited to be part of our "turnkey" solar team. We need your advice and judgment on this to insure that we have very best team for our on-site group.
- j. An assessment of the willingness of the American Samoa legislature to provide incentives (tax credits; joint sponsorship for federal grants; training funds from block grants etc. a). to assist us in the development of these solar projects.

Please review this memorandum and let's discuss early next week prior to your trip to American Samoa later this month.



American Samoa Power Authority

P.O. Box 177
Pago Pago, American Samoa 96799
Phone: (684) 644-2772
Facsimile: (684) 644-5015

In reply refer to:

October 17, 2007

Honorable Senate President Lolo M. Moliga
American Samoa Legislature
Pago Pago, American Samoa 96799

Dear Honorable Senate President:

We are respectfully inquiring about a letter that was given to Ms. Andra Samoa, then CEO of ASPA in June 2007 by Mr. Gus Hanneman, a Senate employee.

The letter from Mr. David Ushio to Mr. Gus Hanneman references meetings with the "Senate leadership and his advisors" and requests that an investment group be provided an exclusive license for provide solar power in American Samoa. Inasmuch as renewable energy is an important priority of ASPA, we have several questions you may be able to help us with:

1. Who is the Senate "leadership and advisors" that met with Mr. Ushio?
2. When and where did the meeting(s) take place?
3. Has there been any further discussion(s) among the Senate leadership, staff, advisors and/or consultants, and Mr. Ushio?
4. Have any commitment(s) or action(s) been made by the Senate to try to meet the conditions of the company?
5. Has the Senate followed up on the request by Mr. Ushio to establish any type of exclusive license as requested?
6. Is the request by the Senate to Congressman Faleomavaega for funding assistance in renewable energy related to solar power or Mr. Ushio?

ASPA is concerned for several reasons. First, as a public utility, ASPA believes the benefits of renewable energy should be directly for the people of American Samoa. Mr. Ushio refers to the solar project as a "very lucrative opportunity" and is concerned about "having some other group steal the project away from our group."

Second, we are concerned with providing any company with an exclusive license and/or exclusive contracts, especially for a term of 15 years. Of course, any private company can introduce any form of power generation to any other private company. These companies are free to make their own decisions on power generation alternatives. But, we are not sure that the government should establish an exclusive license with one company. Further, if a private company commits to a project for a long period of time and the ASPA rates are lessened for a variety of reasons, the private company will be the only entity affected.

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Third, if a company is interested in attaching to the electric grid, then ASPA needs to be aware of such plans since connecting to the grid will involve power engineering and safeguards to ensure the connections are done in accordance with national guidelines and standards.

Fourth, as you are aware, the ASPA rates established a small set aside for renewable energy because we believe, as Mr. Ushio stated in his letter, by using renewable energy, "the end user can cap the cost of electric power instead of being held hostage by the wild price increases due to the unrest in the Middle East and the price gouging by the oil companies and cartels." ASPA is 100% reliant on diesel fuel today.

Fifth, certain ASPA employees have been subpoenaed to appear before the Senate Select Investigating Committee ("SSIC") related to the Tafuna Scrap Metal Yard ("TSMY"). The attached letter provides an example of how sole source contracts can undermine the integrity of an open and competitive process. Moreover, this approach presents apparent ethical conflicts between lawmakers who may be actively participating alongside a private company while attempting to negotiate with the government. This may encroach on the separation of powers between the executive and legislative branches of the government.

Finally, the ASPA Board and Management have met with Governor Tulafono several times to discuss renewable energy, among other matters. As a result of those meetings, the ASPA Board and Management also met twice with Congressman Faleomavaega. During those meetings, ASPA prioritized its interest in seeking federal assistance for renewable energy for the people of American Samoa. As such, we are interested in any concrete proposals sent to or from the Senate.

Your help with the above questions will let us know who we may contact to discuss these matters.

Sincerely,

Michael Keyser
Acting CEO and General Counsel

Attachments (1)

cc: Honorable Togiola T.A. Tulafono, Governor
Honorable members of the House of Representatives
Honorable members of the Senate
Board of Directors
ASPA Officers

Velega outlines new and current Treasury policies for ASG

ASG Treasurer Velega Savali has written a four-page letter to all ASG department and agency heads, addressing matters in internal controls and other procedures which he says involves outstanding audit issues that they wish to clear.

According to Velega, checking accounts outside of Treasury require legal authority and purpose. "There should be no checking accounts held by departments other than Treasury," he wrote. "Where a legal purpose and authority exists, the accounts must still be reconciled and statements sent to Treasury on a monthly basis."

With regards to revenue operations, Velega said that regular cash deposits should be made to the Revenue Office on a daily basis and credited to the proper revenue account.

Each department is responsible for ensuring that all invoices reach the Accounts Payable Office, as this is not the function of the vendor. Original supporting documentation must accompany each request for payment, meaning no faxed copies would be accepted.

For payments to be valid, the vendor must hold a copy of the purchase order. Without such, vendors risk the chance or not being paid for transactions. "Only genuine documented invoices will be paid; this office will not pay from statements," Velega wrote.

Each invoice must include full documentation of the items purchased, procured, or services rendered.

Effective immediately, all original source documentation for payroll must accompany each biweekly submission of payroll to the Payroll Office. This means that original timecards or timesheets must be maintained for each employee and sent with payroll. Scantron sheets are not considered source documentation for purposes of payment.

Timecards or timesheets for each employee must be signed by the employee certifying that the record is true and correct, and each such document must also be signed by a timekeeper or supervisor also certifying that the record is true and correct, and that the hours worked actually occurred.

The Payroll Office may request at any time, documents to support things like authorized payroll deductions, verification of social security numbers, and eligibility to receive longevity pay, hazardous duty pay, bonuses, and special types compensation such as clothing and housing allowances, and lump sum payments.

"We realize this will require a significant transition to attain full compliance, however we ask that each department work to meet these standards in the following month," Velega wrote. "Treasury will make available, sample Excel spreadsheets for timesheets beginning the first week of October 2007."

Velega said that journal entries to the financial system have become far too frequent in occurrence. "Transferring expenses from one program or grant to another will no longer be allowed, including payroll transactions," Velega explained. "It is the obligation of each department to assure that payment of expenses, including payroll, be originally made out of the proper program, fund or grant."

Lastly, Velega addressed the issue of federal awards and grants, saying that for costs to be allowed under federal awards, they must meet certain general criteria:

- Be necessary and reasonable
- Be allocable to federal awards
- Be authorized or not prohibited under local laws or regulations
- Conform to any limitations or exclusions as to types or amounts of cost items as set forth in OMB Circular A-87
- Be consistent with policies, regulations, and procedures that apply uniformly to both federal awards and other activities
- Be accorded consistent treatment and are in accordance with generally accepted accounting principles
- Not be included or used to meet cost sharing or matching requirements of other federal grants or awards; and
- ***Be adequately documented***

Direct charges to federal awards and grants are those that can be identified specifically with a particular final cost objective.

Typical direct costs chargeable to federal awards are:

- Compensation of employees for the time devoted and identified specifically to the performance of those awards
- Cost of materials acquired, consumed, or expended specifically for the purpose of those awards
- Equipment and other approved capital expenditures
- Travel expenses incurred specifically to carry out the award.

"Please bear in mind that direct charges for foreign travel are allowable only when the travel has received prior approval of the awarding agency," Velega said. "Each separate foreign trip must receive approval."

Velega concluded, "Departments operating with federal programs should have a sound understanding of OMB Circular A-87 which can easily be located on the internet."

HISTORICAL NOTES *(continued from page 3)**By: Stan Sorensen, Historian, Office of the Governor*

I am told that the pilot program of education which you have started may point the way to learning breakthroughs throughout the Pacific islands and Southeast Asia. Samoan children are learning twice as fast as they once did, and retaining what they learn. Surely from among them, one day, will come scientists and writers to give their talents to Samoa, to America, and to the world. One requirement for good and universal education is an inexpensive and readily available means of teaching children. Unhappily, the world has only a fraction of the teachers that it needs. Samoa has met this problem through educational television--which was pioneered here by your outstanding Governor, Rex Lee, and the very able Director of the United States Information Agency, Mr. Leonard Marks. Before Mr. Marks came out here recently to help inaugurate this educational television system, he came to me at the White House and talked to me about its great benefits at some length. Upon his return, he insisted that he come over, and he spent an entire evening reviewing what your hopes and achievements would be. Everyone now wants to study the job that you have done--UNESCO, the World Bank, New Guinea, New Zealand, India, and other countries around the world. It is truly a remarkable experiment. This technique--which you are helping now to improve--has the power to spread the light of knowledge like wildfire, to spread it all across the wide areas of our earth. So I want to commend you on the stride that you have taken.

We are most grateful for the voluntary action of the Samoan Legislature in voting to pay Federal income taxes. You are the only American territory voluntarily to take on this responsibility. Your taxes are growing with your economy. You paid about \$200,000 in 1963--and yet you paid over a million dollars in 1965. At this rate, you may eliminate the deficit in the United States budget this year.

An American editor, who used to have nothing to say about what we were doing in Samoa, recently wrote, "Somewhere on earth there may be a more spectacular example of revolutionary change in an area and its people, but in years of roving the world's far corners, I have not seen it." All praise to you for that No, not quite all praise. Some of it must go to a man that you know better than you do any other American--your own very able Governor, Rex Lee. This year it was my pleasure to give him the President's Award for Distinguished Federal Civilian Service--an award that is granted to only five individuals each year. I have no appropriate awards to confer upon the people of Samoa for their progress. But there must be great satisfaction and honor enough in contemplating what you have done in 3 years, where you are today, and where the works of progress will lead your children in generations to come. I hope that America may soon accomplish in her other Pacific island responsibilities the same achievements of Samoa. Indeed, I think we must. For no other corner of the world can be left untidy and ignored today. Where once the sailing clippers called rarely in a year, now the jet airliners touch down several times a week. The time is fast coming when there will be no such thing as "a far corner of the earth." So I think this is the way that God intended it. I cannot believe He wanted man to be isolated, ever, from his neighbor. He did not seek that distance or race or religion or creed ever separate us from one another. At the table of need, we all find our place, and the greatest need of all today, I think, is for human fellowship and a sense of what each of us can do for the rest of us.

This is my first visit to American Samoa. I have not been among you but just a moment. But I think I know that what you want most for yourselves and what you want most for your children is really what the vast majority of the world's people want, too. They want to be independent and stand on their self-respect. They want to keep their dignity and to be proud of themselves and their heritage. They insist on equality. They reject being camp followers and stooges for the brokers of international politics. At home it is pride, and the sense of being your own man. In Asia it is called "face." It is what makes all of us members of the same race. It is what makes us know that in the emerging Asia--and throughout the entire world--there is really no place for second-class citizens. Up until our time, it was possible for an island like this to exist in isolation and despair. And it was possible for a large and powerful country like the United States to conceive of itself, also in isolation, as the center of all civilization--indeed, as the center of all human wisdom and glory. But time and change have jostled our prejudice. They have shown us that the center of the world is anywhere that people are. And they have made imperative the spirit of American Samoa today. For the road to the future runs to Asia, and it crosses here--here at the heart of the Pacific.

I want now to thank you from my heart, for what you are doing here is really a message of hope for millions of peoples elsewhere in the Pacific and in Asia. I shall remember your example vividly--and for that, and 'for the privilege of coming and visiting with you today, I shall always be thankful to you.

ASEPA water lab re-certified for another three years to test drinking water

The US Environmental Protection Agency has re-certified the water laboratory at the American Samoa Environmental Protection Agency in Utulei until 2010. The same lab was USEPA certified twice before in 2004 and 2001.

The ASEPA water laboratory, which processes about 800 drinking water samples and nearly 2,700 beach/stream water samples each year, must be certified every three years in order to analyze drinking water samples for microbial contamination. The certification came after USEPA Region 9 certification officer Andy Lincoff conducted an on-site evaluation of the water lab earlier this month on Oct. 9-10. The re-certification authority was granted during a small ceremony held on Thursday, Oct. 11 in the presence of a very pleased ASEPA director, Fanuatele Dr. To'afa Vaiaga'e. Lincoff commended the laboratory personnel for their exemplary service, and said that they are very experienced and well qualified to perform the water analyses. ASEPA analysts who received certificates include lab supervisor Josephine Regis, and lab technicians Ativalu Tago, Sofai Falelua, and Joe Kim.

Daystar Parker, a student intern from the American Samoa Community College, received special recognition for his contributions to the lab. More information about the ASEPA water lab can be forwarded to 633-2304.